

Message Text

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ACTION SS-20

INFO OCT-01 EA-11 ISO-00 PM-07 EB-11 INR-10 SPC-03 L-03

RSC-01 DRC-01 /068 W

----- 116964

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FM AMEMBASSY MANILA

TO AMEMBASSY BANGKOK IMMEDIATE

INFO SECSTATE WASHDC 1536

S E C R E T SECTION 1 OF 2 MANILA 2531

PASS MICHAEL SAMUELS

E.O. 11652: GDS

TAGS: OVIP (RUSH)

SUBJECT: BRIEFING PAPERS FOR DEP SEC VISIT

ON BASIS OF DRAFT BRIEFING PAPERS PROVIDED TO EMBASSY
DATED FEB 14, EMBASSY OFFERS FOLLOWING UPDATING COMMENTS
KEYED TO RELEVANT SECTIONS OF BRIEFING PAPER:

1. SCOPE PAPER - UNDER PARA B, "BASIC OBJECTIVES FOR
YOUR VISIT TO THE PHILIPPINES, U.S.-PHILIPPINE ECONOMIC
RELATIONSHIP," P. 3, SECTION SHOULD READ: QUOTE: TO DEMONSTRATE
OUR INTEREST IN (ACHIEVING A MODERNIZED SET OF ECONOMIC
RELATIONSHIPS INCLUDING) AN AMITY AND ECONOMIC RELATIONS
TREATY TO FOLLOW THE LAUREL-LANGLEY AGREEMENT." (BRACKETED
WORKS ADDED)

2. BACKGROUND PAPER, U.S. - PHILIPPINE RELATIONS: MILITARY.
UNDER PARAGRAPH III, REFERRING TO PHILIPPINE ARMED FORCES,
CHANGE FORCE STRENGTH FROM QUOTE: 85,000 END QUOTE, TO
QUOTE: 100,000 END QUOTE. ADD TO FOLLOWING SENTENCE QUOTE:
NEARLY 70 PER CENT OF THE GOP'S COMBAT READY FORCES, HOWEVER,
ARE TIED DOWN BY THE MUSLIM INSURGENCY IN THE SOUTHERN PHILIP-
PINES, (AND THE BALANCE ARE LARGELY DIRECTED AT CONTAINING
THE RELATIVELY QUIESCENT NEW PEOPLES ARMY IN THE VISAYAS
AND LUZON.) END QUOTE. BRACKETED WORDS ADDED.

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3. BACKGROUND PAPER, U.S.-PHILIPPINE RELATIONS: MILITARY.
UNDER PARAGRAPH IV, M-16 PROPOSAL, WE WOULD NOTE FOR BACKGROUND THAT WE HAVE PRESSED THE M-16 PROPOSAL REPEATEDLY WITH WASHINGTON. WE HAVE SO FAR RECEIVED NO RESPONSE WHATSOEVER TO THE PROPOSAL ALTHOUGH THE GOP'S OPTION WITH COLT EXPIRES MARCH 17. THE GOP COULD RENEW THIS OPTION BUT UNDOUBTEDLY AT AN APPRECIABLY HIGHER PRICE.

4. BACKGROUND PAPER, U.S. -PHILIPPINE RELATIONS: ECONOMIC.
UNDER PARA I, P.1, IMPROVING PHILIPPINE ECONOMY, ADD BRACKETED WORDS TO FOLLOWING PASSAGE: QUOTE: ALL THINGS CONSIDERED, 1974 MAY PRESENT MORE THAN ITS SHARE OF ECONOMIC PROBLEMS, (BUT NONE UNIQUE TO THE PHILIPPINES). END QUOTE.

5. BACKGROUND PAPER, U.S. - PHILIPPINE RELATIONS: ECONOMIC,
WITH REFERENCE TO PARA III, P. 3, AND ITEM ENTITLED, "SUGAR REMAINS THE ITEM OF GREATEST SENSITIVITY," DELETE AND REPLACE WITH FOLLOWING: QUOTE: SUGAR REMAINS A SENSITIVE ITEM IN PHILIPPINE - U.S. TRADE AND THE DELAYED PHILIPPINE RESPONSE ON THE AER TREATY MAY IN PART BE ATTRIBUTED TO UNCERTAINTY OVER FUTURE U.S. SUGAR POLICY AS WELL AS A REAPPRAISAL OF THE WORLD SUGAR SITUATION. PHILIPPINE PRODUCERS CONTINUE TO APPEAR EXTREMELY ANXIOUS TO MAINTAIN SECURE ACCESS TO THE U.S. DESPITE THE LOWER PRICES CURRENTLY PREVAILING HERE AS COMPARED WITH WORLD MARKET PRICES, BUT SUGGESTIONS, E.G. OF CHAIRMAN POAGE, THAT THE PHILIPPINE QUOTE BE CUT DO NOT PROMOTE A FIRM RESOLVE THAT A NEW QUOTA IS EITHER LIKELY OR WORTH MAJOR CONCESSIONS TO U.S. BUSINESS. END QUOTE.

6. BACKGROUND PAPER: U.S. LAND OWNERSHIP IN THE PHILIPPINES. AMEND SECOND SENTENCE, PARA 1, P.1, AS FOLLOWS:
QUOTE: AMERICANS AND AMERICAN-OWNED COMPANIES HAVE BEEN EXEMPT FROM THIS RESTRICTION IN ACCORDANCE WITH (PROVISIONS OF A PHILIPPINE CONSTITUTIONAL AMENDMENT WHICH EXPIRES ON JULY 3, 1974, STEMMING FROM WHICH HAS BEEN) A SERIES OF SPECIAL AGREEMENTS, THE LATEST BEING THE LAUREL-LANGLEY AGREEMENT WHICH (ALSO) EXPIRES JULY 3, 1974. END QUOTE.
BRACKETED WORDS ADDED.

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7. ISSUES AND TALKING POINTS, ISSUES PRESIDENT MARCOS MAY RAISE, THE SPRATLY ISLANDS DISPUTE - WITH RESPECT TO THE BACKGROUND COMMENT ON P. 1, REFERRING TO "PRUDENT AND RESPONSIBLE POLICIES OF PRESIDENT MARCOS AND RECENT MEASURES TO REDUCE THE POSSIBILITY OF ANY CLASH INVOLVING PHILIPPINE MILITARY FORCES...", WE SUGGEST THAT IT BE DELETED IN ITS ENTIRETY. THE GOP HAS NOT CHANGED ITS FORCE STRUCTURE ON THE ISLANDS IT CLAIMS DESPITE EARLIER INDICATIONS TO US THAT

IT WOULD DO SO. MOREOVER, ALTHOUGH THE GOP HAS GIVEN CONSIDERATION TO THE MUTUAL DEFENSE TREATY'S APPLICABILITY TO THE DISPUTE, NEITHER IT NOR THE EMBASSY HAS FORMALLY OR EXPLICITLY REFERRED TO THE TREATY. IF THE SUBJECT IS RAISED, IT WOULD BE USEFUL TO STATE THAT THE U.S. HAS A LONGSTANDING POLICY OF NEUTRALITY WITH RESPECT TO THE CONFLICTING CLAIMS TO THESE ISLANDS.

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INFO OCT-01 EA-11 ISO-00 PM-07 EB-11 INR-10 SPC-03 L-03

RSC-01 DRC-01 /068 W
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FM AMEMBASSY MANILA
TO AMEMBASSY BANGKOK IMMEDIATE
INFO SECSTATE WASHDC 1537

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8. ISSUES AND TALKING POINTS, ISSUES PRESIDENT MARCOS MAY RAISE, A MINIMUM AGREED U.S. SUGAR QUOTA FOR THE PHILIPPINES, P. 2 - CHANGE PARAGRAPH TO READ AS FOLLOWS: QUOTE: WE SUGGEST YOU REPLY THAT THIS IS A QUESTION THAT WOULD HAVE TO BE DEALT WITH IN THE COURSE OF OVERALL ECONOMIC NEGOTIATIONS ONCE WE HAVE (STUDIED THE TERMS OF A SUBSTANTIVE) PHILIPPINE REPLY TO OUR DRAFT AER TREATY AND WOULD OF COURSE BE SUBJECT TO CONGRESSIONAL DECISION AS WELL. END QUOTE. BRACKETED WORDS INSERTED.

9. ISSUES AND TALKING POINTS, ISSUES PRESIDENT MARCOS MAY RAISE, REQUEST FOR MILITARY EQUIPMENT. WITH REVERENCE TO THE TALKING POINT CONCERNING C-130S AND M-16S CONTAINED IN PARA 2, P. 3, WE SUGGEST THAT IT BE REPLACED BY THE FOLLOWING: QUOTE: WE UNDERSTAND A REQUEST FOR C-130S IS UNDERDEVELOPMENT BY THE GOP. WE WILL CONSIDER SUCH A REQUEST SYMPATHETICALLY IN LIGHT OF THE AVAILABILITY OF FMS CREDITS, BUT IT IS PROBABLY BEST TO DEFER A PROPOSAL UNTIL A DECISION IS REACHED ON THE M-16 CO-PRODUCTION PROPOSAL. END QUOTE.

10. LAW OF THE SEA. WE HAVE NOT SEEN THE BRIEFING PAPER ON THIS SUBJECT BY EA/IMS. SHOULD THE SUBJECT ARISE, HOWEVER, THE DEP SEC SHOULD BE AWARE THAT WE HAVE RECEIVED INDICATIONS THAT THE GOP IS BEGINNING TO THINK IN TERMS OF SEA LANES THROUGH ITS ARCHIPELAGO AS AN ANSWER TO THE ARGUMENT BETWEEN INNOCENT AND FREE PASSAGE AND CLOSED SECRET

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ARCHIPELAGOS. ALTHOUGH THE GOP WOULD PROBABLY NOT BE PREPARED TO ESTABLISH THE SEA LANES SPECIFICALLY FOR FREE PASSAGE, IT MAY IN PRACTICE BE PREPARED TO CONSIDER THEM IN THAT RESPECT PROVIDED THE GOP RECEIVES IN RETURN ENDORSEMENT OF AN ARCHIPELAGO DEFINED IN TERMS OF MODIFIED BASELINES RATHER THAN THE 1898 TREATY LINES. THE SEA LANES HAVE YET TO BE SPECIFIED. IF THE SUBJECT IS RAISED, THE DEP SEC MAY WANT TO SAY THAT HE IS AWARE OF THE GOP INTEREST IN THE ARCHIPELAGO THEORY AND HOPES THAT OUR COUNTRIES CAN WORK CLOSELY IN FINDING A WAY OF ACCOMMODATING OUR INTERESTS IN FREE PASSAGE.

11. ROK AND GRK. THE GOP SUPPORTED US ON BOTH ISSUES. IN ADDITION, IT VOTED AGAINST SEATING THE PRG AT THE RECENT LAW OF WAR CONFERENCE. THE DEP SEC MAY WISH TO SAY TO GENERAL ROMULO THAT HE IS GLAD THAT WE SHARE A COMMON VIEW ON THE INAPPROPRIATENESS AND MISCHIEVOUSNESS OF AFFORDING THE PRG INTERNATIONAL RECOGNITION AT A TIME OF CRITICAL IMPORTANCE TO SOUTH VIETNAM. SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA02531
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740367/aaaacksn.tel
Line Count: 202
Locator: TEXT ON-LINE
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2002 by rowelle0>; APPROVED <13 JAN 2003 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BRIEFING PAPERS FOR DEP SEC VISIT ON BASIS OF DRAFT BRIEFING PAPERS PROVIDED TO EMBASSY
TAGS: OVIP, (RUSH, KENNETH D)
To: BANGKOK
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005